

[REDACTED]

From: James L. Hamilton <james.hamilton@wayne.edu>
Sent: Wednesday, January 27, 2016 10:17 AM
To: [REDACTED]
Subject: HR5232

I register my strong opposition to HR5232. Please convey this to members of the Local Government Committee.

HB5232 proposes ill-advised changes in the Michigan code governing historic districts. Historic designation motivates a great deal of investment annually in the restoration of historic properties in Michigan and throughout the United States. This is investment in real work that creates real jobs. The proposed changes would dampen the incentive for this investment, because it shortens the time horizon over which an investor can expect to realize increased property values.

The value of an historic property depends on how well it is restored and maintained, of course. But the value also is strongly influenced by how well neighboring properties are maintained. The principal value of historic districts is assuring that an entire neighborhood is maintained as a context for investment. However, if an owner invests thousands (a homeowner) or millions (commercial property owner), the owner wants to count on the neighborhood protections to persist for a long time. If investors then cannot be sure how long, or even if, these neighborhood protections will persist, this obviously will have a dampening effect on the willingness of investors to put money into their properties.